

Introduced by Senator Soto

February 20, 2004

An act to add Sections 1569.656 and 1569.657 to the Health and Safety Code, relating to residential care facilities for the elderly.

LEGISLATIVE COUNSEL'S DIGEST

SB 1662, as introduced, Soto. Residential care facilities for the elderly: rates.

Existing law regulates the licensure and operation of residential care facilities for the elderly, including setting forth the basic services a facility is required to provide. Existing law requires a licensee of a residential care facility for the elderly that increases the rates of fees for residents or makes increases in any of its rate structures for services, to provide no less than 60 days' prior written notice to the resident or the resident's representative setting forth the amount of the increase, the reason for the increase, and a general description of the additional costs, except for an increase in the rate due to a change in the level of care of the resident. A violation of the provisions relating to the licensure or operation of a residential care facility for the elderly is a crime.

This bill would require rate increases assessed to a residential care facility for the elderly's basic rate to occur no more than once every 12 months, and would require the first rate increase to be assessed only after a resident has resided at the facility for at least 12 months. The bill would require the facility to give a 60-day written notice of the rate increase to the resident or resident's representative. These provisions would not apply to a facility resident who receives benefits under the State Supplementary Program for Aged, Blind and Disabled.

This bill would also require a residential care facility for the elderly licensee to complete a formal assessment of a resident before assessing

any rate increase for a change in the resident's level of care, and to document the changes in the resident's care plan that explain the need for additional services. The bill would prohibit an increase in a resident's rate due to a change in the level of care if the additional service needed is already included in the basic services the facility is required to provide to the resident under existing law.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 1569.656 is added to the Health and
2 Safety Code, to read:

3 1569.656. (a) Rate increases assessed to the basic rate may be
4 assessed by a residential care facility for the elderly no more than
5 once every 12 months. The first rate increase may be assessed only
6 after a resident has resided for at least 12 months in the facility. The
7 licensee shall give the resident or the resident's representative, if
8 any, no less than 60 days' written notice of the rate increase
9 pursuant to subdivision (a) of Section 1569.655. The notice may
10 be given in the 10th month of the 12-month period.

11 (b) This section shall not apply to any resident of the facility
12 who is a recipient of benefits under the State Supplementary
13 Program for Aged, Blind and Disabled (Article 5 (commencing
14 with Section 12200) of Chapter 3 of Part 3 of Division 9 of the
15 Welfare and Institutions Code).

16 SEC. 2. Section 1569.657 is added to the Health and Safety
17 Code, to read:

18 1569.657. (a) Prior to the assessment of any rate increase for
19 a change in the level of care of a resident, the licensee shall
20 complete a formal assessment of the resident that shall include a
21 meeting with the resident, the resident's representative, if any,
22 appropriate facility staff, and a representative of the resident's
23 home health agency or other licensed medical professional

1 familiar with the resident's care needs, if any. Following the
2 formal assessment, the licensee shall document the changes in the
3 resident's care plan that explain the resident's need for additional
4 services, and shall give a notice of the change to the resident and
5 the resident's representative, if any, within five days of the formal
6 assessment.

7 (b) The licensee shall not increase a resident's rate due to a
8 change in the level of care if the additional service needed is
9 already included in the basic services to be provided to the
10 resident, as defined in Section 1569.312, or other applicable
11 regulations.

12 SEC. 3. No reimbursement is required by this act pursuant to
13 Section 6 of Article XIII B of the California Constitution because
14 the only costs that may be incurred by a local agency or school
15 district will be incurred because this act creates a new crime or
16 infraction, eliminates a crime or infraction, or changes the penalty
17 for a crime or infraction, within the meaning of Section 17556 of
18 the Government Code, or changes the definition of a crime within
19 the meaning of Section 6 of Article XIII B of the California
20 Constitution.

